GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands – APIIC – Cancellation of allotment of land to an extent of 200.00 Acres to M/s.Gujarat Ambuja Exports Ltd. Thangadancha (V), Jupadu Bungalow (M), Kurnool District on outright sale basis @ Rs.5.00 Lakhs per Acre for their proposed Maize Processing Unit – Orders – Issued.

==========

INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 31 Dated: 13-03-2018

Read the following:

1.G.O.Ms.No.71, Ind & Com (Infra) Dept, dt.18.05.2016.
2.From the VC&MD, APIIC Ltd., Vijayawada Single File No.614/APIIC/AM(P)/Gujarat /Supplementary/2017 & Lr.dt.07.011.2017.

****

ORDER:

In the G.O. 1st read above, permission was accorded to the Andhra Pradesh Industrial Infrastructure Corporation Limited, to allot land for an extent of Ac.200.00 at Thangadancha (V), Jupadu Bungalow (M), Kurnool District to M/s. Gujarat Ambuja Export Limited on outright sale basis @ Rs.5.00 Lakhs per Acre, duly following the extant procedure, for their proposed Maize Processing Unit, subject to condition that the land shall not be mortgaged to financial institutions at a rate higher than the rate at which it is allotted by Government/ Andhra Pradesh Industrial Infrastructure Corporation Limited.

2. In the letter 2nd read above, the Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, has submitted that as requested by the Company for allotment of 200.00 Acres of land at Thangadancha (V), Jupadu Bungalow (M), Kurnool Dist for establishment of 1000 Tons Per Day Maize Processing Unit orders were issued in the G.O. 1st read above, on outright sale basis @ Rs.5.00 Lakhs per Acre duly following the extant procedure, subject to condition that the land shall not be mortgaged to financial institutions at a rate higher than the rate at which it is allotted by Government/Andhra Pradesh Industrial Infrastructure Corporation Limited. Accordingly provisional allotment letter was issued to the Company vide Lr.dt.16.05.2016 of Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited has submitted the following particulars with regard to the due procedure followed by the Andhra Pradesh Industrial Infrastructure Corporation Limited after issue of provisional allotment letter to the Company:

- The Andhra Pradesh Industrial Infrastructure Corporation Limited vide their IOM No.614/APIIC/OSD (Projects)/Gujarat Ambuja/2014, dt.11.05.2016 while enclosing the minutes of State Investment Promotion Board Meeting dt.11.04.2016 have instructed the Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool to issue a revised provisional allotment order to the Company as per the decision of State Investment Promotion Board ensuring all the conditions and to obtain the Detailed Project Report for the allotment of 200 Acs with timelines and to communicate the land cost fixed as Rs.5.00 Lakhs per Acre exclusive of processing fee, frontage charges etc.

- Accordingly, the Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool vide his Progs No.12215/ APIIC/ KNL/ AM/ 2015, dt.16.05.2016 has issued provisional allotment for 200.00 Acers informing the Company to pay Rs.1.00 Crore towards 10% of land cost as EMD, Rs.26.00 Lakhs towards process fee & Rs.3.77 Lakhs towards Service Tax within thirty (30) days and to pay the total land cost of Rs.9.00 Crores within ninety (90) days duly deducting Rs.1.00 Crore. (Clause-1(a) to (d). The Company was also informed that the land conversion charges are not taken into consideration and the costs have to borne by the Company. (Clause-4).

- In response the Company vide their Lr.dt.17.05.2016 has raised (11) points to be clarified by Andhra Pradesh Industrial Infrastructure Corporation Limited in connection with the provisional allotment.

- Meanwhile orders were issued vide G.O.Ms.No.71, Ind & Com (Infra) Dept, dt.18.05.2016 to allot 200.00 Acs over the subject area on outright sale basis @ Rs.5.00 Lakhs per Acre duly following the extant procedure, subject to condition that the land shall not be mortgaged to financial institutions at a rate higher than the rate at which it is allotted by Government / Andhra Pradesh Industrial Infrastructure Corporation Limited.

Contd.P..2.

- Some of the points raised by the M/s. Gujarat Ambuja Exports Limited i.e. **(i)** execution of sale deed before implementation of the Project **(ii)** one time blanket approval to the Company for mortgage of the land in favour of the Banks **(iii)** commitment of the Co., either for employment or for investment only, not for both and **(iv)** commitment for providing minimum requirement of water 2 million per day for the Project, was brought to the notice of Government vide Lr.No.614/APIIC/Gujarat Ambuja/Kurnool/2014, dt.02.06.2016 for issue of necessary orders.

- In Government Lr.No.5511/Infra/A1/2015, dt.10.06.2016 the Andhra Pradesh Industrial Infrastructure Corporation Limited was requested to furnish specific remarks/recommendations to Government for taking further necessary action.

- The Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited*, Kurnool* vide his Lr.dt.30.07.2016 has informed the Company that soon after receipt of clarification from Government on the (4) points relates to their claims, the issuance of revised provisional allotment will be considered and requested the Company to submit the Detailed Project Report and justification for allotment of 200.00 Acs.

- The Andhra Pradesh Industrial Infrastructure Corporation Limited vide their Lr.dt.18.08.2016 have furnished their remarks to Government for the said (4) points.

- The Andhra Pradesh Industrial Infrastructure Corporation Limited vide Lr.dt.21.12.2016 has furnished the replies to M/s. Gujarat Ambuja Exports Limited on the points raised by the Company.

- The Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool vide his Lr.No.12215/APIIC/KNL/ AM/2015, dt.23.02.2017 duly quoting SMS message, dt.20.02.2017 of the Company and while explaining the prevailing circumstances in connection with amendments sought by M/s. Gujarat Ambuja Exports Limited has informed the Company that the extension of time for payment of land cost is not in his purview whereas, the period of (180) days with applicable interest is also over by 12.11.2016 and therefore advised the Company to sought the extension of time from the Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited.

- The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, vide his Lr.dt.16.03.2017 has informed the Company that the observations raised by the Company were clarified in Lr.dt.17.05.2016 and the issue of formation of Approach Road to the site was not mentioned in the provisional allotment letter and no commitment from the Andhra Pradesh Industrial Infrastructure Corporation Limited. However, the Road was laid and completed as per the request of the Company. With regard to request for grant of extension of time for payment of land cost though sufficient time given the Company has not paid the amount so far and as per Andhra Pradesh Industrial Infrastructure Corporation guidelines the provisional allotment stand cancelled without any further notice after 180 days. The Zonal Manager has also issued reminders from time to time for payment of dues. As such all the observations/ modifications sought by the Company were clarified and the other i.e. Approach Road was also completed and therefore advised the Company not to link up with other issues beyond the conditions laid down in provisional allotment and to pay the due immediately and to go ahead with the work and stated that the issue of waiver of interest has to be placed before the Board of Andhra Pradesh Industrial Infrastructure Corporation Limited for any decision.

- Based on the above letter the Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool vide his Lr.dt.22.03.2017 has requested the Company to pay the dues immediately to execute the sale Agreement.

- In response to the above, the Company vide their Lr.dt.20.04.2017 has once again requested the Zonal Manager to consider certain issues duly issuing the revised provisional allotment including payments to be paid.

- Accordingly, the Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool vide his Lr.dt.10.05.2017 has submitted a detailed report and recommended the Andhra Pradesh Industrial Infrastructure Corporation to examine the issue and to cancel the allotment in respect of the Company.

Contd.P..3.

- The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited has conducted a Meeting with the company representative along with Andhra Pradesh Industrial Infrastructure Corporation Limited officials on 23.05.2017 to sort out the issue wherein, it was concluded the issues raised by the Company will be recommended to Government for appropriate decision.

- The Company vide their Lr.dt.31.05.2017 has once again raised (13) issues requesting the Andhra Pradesh Industrial Infrastructure Corporation Limited to agree/accept the same and then to issue provisional allotment with fresh validity.

- In response, the Andhra Pradesh Industrial Infrastructure Corporation Limited vide their Lr.dt.12.07.2017 has replied the Company on all the points reiterating once again not to link up the issues beyond the conditions and to pay the dues within fourteen (14) days failing which the allotment will be treated as deemed to have been cancelled.

- In response, the Company vide their Lr.dt.18.07.2017 has replied that unless all the issues that were discussed and agreed in the meeting held on 23.05.2017 are clarified, they are unable to proceed with the Project. The points raised by the Company are as follows:

  (i) Waiver of Nala/conversion charges.
  (ii) To allow Project investment outlay Rs.240.00 Crores.
  (iii) To allow timeline of five (5) years for completion of Project instead of four (4) years.
  (iv) Regarding water requirement for 2 Million Liters per day.
  (v) To renew & revive the Project incentives as per G.O.Ms.No.2, Ind & Com (IP &INF) Dept, dt.07.01.2015.
  (vi) Amendment to provisional allotment Lr.dt.16.05.2016 incorporating the changes allowed.

- The Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation Limited, Kurnool vide his Lr.dt.04.08.2017 addressed to Andhra Pradesh Industrial Infrastructure Corporation Limited has stated that though provisional allotment issued on 16.05.2016, 2 lane BT Road also laid with Bridge to the site the Company was not yet paid even EMD and Process fee and moreover requesting for fulfillment of whimsical desires beyond the purview of Andhra Pradesh Industrial Infrastructure Corporation Limited to drag the period of implementation and therefore requested to examine and issue cancellation orders.

- Accordingly, the Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited vide his Lr.dt.07.11.2017 has requested the Government for issue of cancellation orders in the matter.

3. Accordingly, the Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited., has submitted proposal for cancellation of the provisional allotment orders issued in respect of M/s.Gujarat Ambuja Exports Ltd., and therefore requested the Government to issue necessary orders for cancellation of the provisional allotment issued in favour of M/s.Gujarat Ambuja Exports Ltd., for taking further necessary action.

4. As per the report of the Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited M/s. Gujarat Ambuja Exports Ltd., was given allotment of 200.00 Acres of land over the subject area for establishment of 1000 tons per day Maize Processing Unit vide reference 1st read above, on outright sale basis @ Rs.5.00 Lakhs per Acre. Based on this, the provisional allotment orders were issued and the company has failed to pay the land cost even as on today. As per the Andhra Pradesh Industrial Infrastructure Corporation Limited regulations, if the allottee fails to pay the land cost within the time prescribed i.e. 180 days with penal interest, the allotment is liable for cancellation. The period of 180 days for this case ended on 12.11.2016. When Andhra Pradesh Industrial Infrastructure Corporation Limited issued notices for payment of the land cost, the company has been raising certain issues related to land and other infrastructure development which were clarified through bilateral meetings. In spite of this the company has not paid the land cost hence the proposal for cancellation of the provisional allotment is now proposed.

Contd.P..3.

5. Government after, careful examination of the entire matter hereby cancel the orders issued in the G.O. 1st read above, towards allotment of 200.00 Acres of land at Thangadancha (V), Jupadu Bungalow (M), Kurnool District for establishment of 1000 tons per day Maize Processing Unit made in respect of M/s.Gujarat Ambuja Exports Ltd., on the ground that the Company has failed to pay the land cost within the prescribed time limit as per Andhra Pradesh Industrial Infrastructure Corporation Limited land allotment regulations.

6. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETRAY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.

Copy to:
The Commissioner of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The P.S. to Principal Secretary to C.M. (GSP), A.P. Secretariat, Amaravathi, Velagapudi.
The P.S.to Secretary to Government & CIP, Ind & Com Dept, A.P. Secretariat, Amaravathi, Velagapudi.
SF/SC.

//FORWARDED : : BY ORDER//

SECTION OFFICER